



12412

RECORDATION NO. Filed 1426

August 22, 1980
November 11, 1980

NOV 17 1980 -11 15 AM

INTERSTATE COMMERCE COMMISSION

The Secretary of the Interstate
Commerce Commission
Washington, D. C. 20423

Dear Sir:

We enclose for recording the executed original and two executed counterparts of Security Agreement between Alan P. Scherer and Tim Garigan, as Debtor, and Great Western Bank & Trust, an Arizona corporation as Secured Party.

The names and addresses of the parties are as follows:

Mortgagor (Debtor) Alan P. Scherer
4421 E. Havasu Rd.
Tucson, Arizona 85718
Tim Garigan
6845 N. 1st Ave.
Tucson, Arizona 85719

Mortgagee (Secured Party)
Great Western Bank & Trust
Post Office Box 12158
Tucson, Arizona 85732

A general description of the property covered by the document is as follows:

One 100-ton truck covered hopper railcar
Identifying Marks: RRRX 3041 - Pullman
AAR mechanical designation: "LO"

After recording, the document should be returned to:

Great Western Bank & Trust
Post Office Box 12158
Tucson, Arizona 85732

Secretary of the Interstate Commerce Commission
August 25, 1980
Page 2

We enclose our Cashier's Check in the sum of \$50.00 to defray
the cost of filing.

Very truly yours,

GREAT WESTERN BANK & TRUST

By 
Its Assistant Vice President

REG:ss

SECURITY AGREEMENT

NOV 17 1980 -11 15 AM

AGREEMENT, made this 22 day of INTERSTATE COMMERCE COMMISSION
1980, by and between GREAT WESTERN BANK & TRUST (hereinafter
"Secured Party"), and Alan P. Scherer and Tim Garigan

(hereinafter the "Debtor").

1. CREATION OF SECURITY INTEREST. Debtor hereby grants Secured Party a security interest in the collateral described in Section 2, to secure the payment of the indebtedness evidenced by that certain Note dated the 22 day of August, 1980, in the principal amount of Forty two thousand nine hundred ----- DOLLARS (\$42,900.00) payable to the Secured Party, and any renewal or extension of the indebtedness evidenced by said note, including any renewal note or notes.

2. DESCRIPTION OF COLLATERAL. The collateral subject to this Agreement (hereinafter the "Collateral"), is the following described property:

One 100-Ton truck covered hopper railcar
Identifying marks RRRX 3041 - Pullman
AAR Mechanical Designation "LO"

3. OBLIGATIONS OF DEBTOR GENERALLY.

(a) Payment. Debtor shall pay to the Secured Party the sum evidenced by the above-mentioned Note or any renewals or extensions thereof executed pursuant to this Security Agreement in accordance with the terms of said Note.

(b) Warranties and Representations. Debtor warrants and covenants that:

Except for the security interest hereby granted, Debtor, has or on acquisition will have, full title to the collateral, free from any liens, security interests, encumbrance or claim, and Debtor will, at Debtor's cost and

expense, defend any action that may affect the Secured Party's security interest in, or Debtor's title to the collateral;

4. OBLIGATIONS OF SECURED PARTY. The Secured Party shall have no obligations other than the provision of the funds called for in the Note being executed with even date herewith.

5. INSURANCE. Debtor shall provide insurance upon said property insuring Debtor and Secured Party against physical loss or damage to said property for the actual cash value of the property subject to a deductible not in excess of Five Hundred Dollars (\$500.00). The insurance coverage will extend to both partial and total casualty occurrences, but may contain exclusion for loss caused by latent defects, mechanical breakages or structural failure, neglect of the insured, wear or gradual deterioration, employee dishonesty, war and nuclear fission.

6. MAINTENANCE AND REPAIRS. Debtor will maintain said property in good and operable condition and will provide for repairs as and when required. As to any Insurable loss, the \$500.00 deductible shall be the sole responsibility of Debtor and the risk of any uninsured loss shall be born solely by Debtor.

7. REIMBURSEMENT OF EXPENSES. In the event Debtor neglects to procure the insurance above provided for, or in the event Debtor neglects to maintain said property in good and operable condition, Secured Party may, but shall not be required to, procure such insurance or provide for such maintenance, and the amounts spent by Secured Party for such insurance or maintenance shall become a part of the debt secured hereby, payable immediately upon demand, and shall bear interest at the same rate as the principal indebtedness. No such expenditure by Secured Party shall

- relieve Debtor from the default for having failed to provide for such insurance or maintenance.

8. EVENTS OF DEFAULT. Any one of the following shall constitute an event of default:

(a) Failure of Debtor to pay when due any indebtedness secured hereby.

(b) If the collateral is sold or disposed of by Debtor, levied on and seized under any levy, attachment, garnishment, writ or other legal process, or if any lien shall attach thereto, or if a security interest is created with respect thereto.

(c) If the collateral is lost, stolen or suffers such damage as to make it unfit for its intended use.

(d) Failure of Debtor to procure and maintain the insurance above provided for.

(e) Failure of Debtor to keep the collateral in good condition and repair.

(f) Failure of Debtor to pay when due all taxes, assessments and charges lawfully levied against the collateral.

9. TIME OF PERFORMANCE. When performing any act under the Security Agreement and the Note secured thereby, time is of the essence.

10. WAIVER. Failure of the Secured Party to exercise any right or remedy, including but not limited to acceptance of partial or delinquent payments, shall not be a waiver of any obligation of the Debtor or right of the Secured Party, or constitute a waiver of any other similar default subsequently proceeding.

11. REMEDIES. On any default, at any time thereafter:

(a) Secured Party may declare all obligations secured hereby immediately due and payable and may proceed to enforce payment of same and exercise any and all rights and remedies provided by Arizona law, as well as any and all other rights and remedies possessed by the Secured Party;

(b) Secured Party shall have the right to take possession of the collateral and Secured Party may require Debtor to make the collateral available to Secured Party at the place to be designated by the Secured Party that is reasonably convenient to both parties. Debtor shall immediately execute any and all documents necessary to transfer ownership interest concerning and to the various personal property described in this Security Agreement;

(c) Secured Party shall give Debtor reasonable notice of the time and place of any public sale of the collateral or the time which any private sale or intended disposition thereof is made. The requirements of reasonable notice shall be met if the notice is mailed, postage prepaid to the address of the Debtor shown herein, at least fifteen (15) days before the time of sale or disposition. Expenses of retaking, holding, preparing for sale, selling or the like shall include reasonable attorney's fees and legal expenses incurred by Secured Party.

12. GOVERNING LAW. This Security Agreement shall be construed according to the laws of the State of Arizona and all obligations created hereunder are to be performed in the State of Arizona. All terms used herein that are defined in Arizona Revised Statutes, Title 44, Section 3101, et seq, shall have the same meaning herein as therein defined.

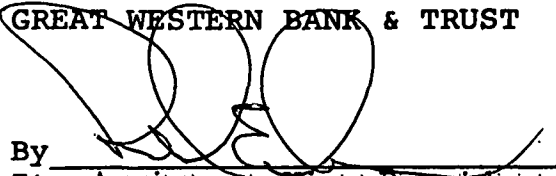
13. INTEGRATION. This Agreement constitutes the entire agreement between the parties and may not be altered or amended except by a writing executed by all parties.

14. SUCCESSION. This Agreement shall be binding upon and shall inure to the benefit of the heirs, representatives, successors and assigns of the parties hereto.


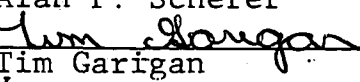
IN WITNESS WHEREOF, the parties have executed this Agreement at Tucson, in the County of Pima, State of Arizona, on the day and year first above written.

"SECURED PARTY"

GREAT WESTERN BANK & TRUST

By 
Its Assistant Vice President
Address P. O. Box 12158
Tucson, Az. 85732

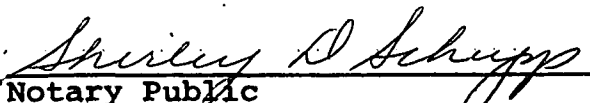
"DEBTOR"


Alan P. Scherer

Tim Garigan
By
Its
Address 4421 E. Havasu Rd.
Tucson, Az. 85718

6845 N. 1st Ave.
Tucson, Arizona 85719

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

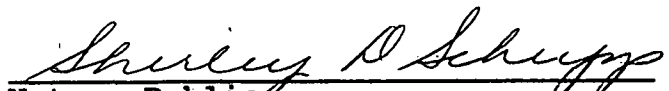
The foregoing instrument was acknowledged before me this 22 day of August, 1980, by Richard E. Garcia, Asst Vice Pres of Great Western Bank & Trust as Secured Party.


Notary Public

My Commission Expires:
My Commission Expires Aug 23, 1981

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

The foregoing instrument was acknowledged before me this 22 day of August, 1980, by Alan P. Scherer, Tim Garigan as Debtor.


Notary Public

My Commission Expires:
My Commission Expires Aug 23, 1981